

Statement of
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before the
Resources Subcommittee on Water and Power
U.S. House of Representatives

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Chairman Calvert, Ranking Member Napolitano, Members of the Subcommittee, thank you for providing me this opportunity to address the vital role that recycling must play in meeting growing water demands in Southern California and the suitability of a federal grants program in achieving this objective.

The Santa Ana River Watershed has been recycling water for over 100 years. This hearing is very important not only to Southern California, but to all metropolitan areas throughout the United States; water recycling will become significant to all cities.

The Santa Ana Watershed Project Authority (SAWPA) represents the Santa Ana River Watershed. This river is the largest coastal river system in Southern California and flows from the San Bernardino Mountains over 100 miles southwesterly to the Pacific Ocean at Huntington Beach. The watershed covers over 2,650 square miles of widely-varying terrain. This area, which includes parts of San Bernardino, Riverside, Los Angeles and Orange Counties, was home to 5.1 million people during the 2000 census. The population is expected to increase to 7 million by 2020.



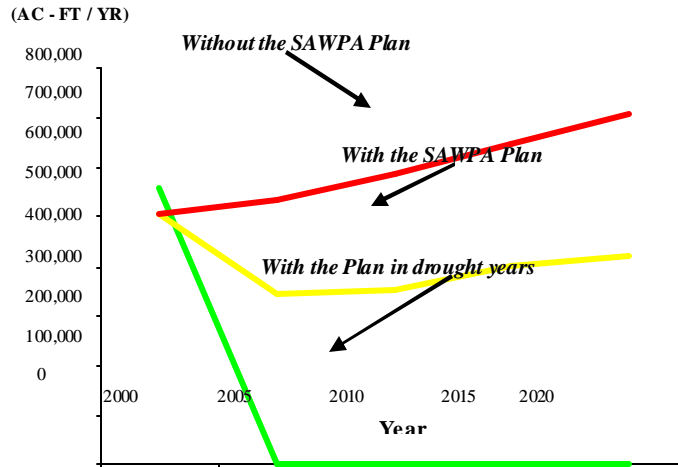
SAWPA was founded in 1972 after 80 years of controversy and court battles, at one time including more than 3,000 parties. Thus, SAWPA came into being some 30 years ago as a way to solve problems, rather than just litigate. Today, SAWPA has five member agencies – Eastern Municipal Water District, Western Municipal Water District, San Bernardino Valley Municipal Water District, Inland Empire Utilities Agency and Orange County Water District. Each agency has specific individual interests, but shares the “watershed-wide” responsibility of insuring that there is reliable, high-quality water available for the 5 million residents.

Integrating the management of surface water, groundwater, water recycling, habitat, groundwater cleanup and groundwater banking are the tasks that SAWPA faces.

When fully implemented, this integrated program offers the realistic capability of **drought proofing** the entire region. In saying this term, I mean that SAWPA's five member agencies will be able to roll off or significantly decrease sources of imported water from the Colorado River and Northern California that are the region's lifeblood. Recycling and the clean-up of contaminated groundwater are at the heart of this innovative plan to reduce our dependence on imported water demand.

Results of the Program

Projected Water Import Demands



By storing or “banking” recycled water in groundwater basins during normal and wet years, we will be able to withdraw it during droughts and watershed wide offset the need for any imported water during the drought. Given the problems facing California water agencies by reason of the failure of the QSA, our plan to become essentially self-sufficient in times of drought should come as welcome news in other regions of the state and throughout the Colorado River Basin, since our program is the only resource plan that literally leaves water in both the State Water Project and the Colorado River in times of crisis, rather than taking more out. In this respect, SAWPA is completely unique among those state and local agencies that bear the burden of providing water to their residents.

To accomplish this ambitious objective in an efficient and effective way, all components of our plan must be tightly coordinated and all activities integrated. Our efforts to provide such a program were greatly improved by the passage of the State Water Bond on March 7, 2000. Chapter 6, Article 5, the Southern California Integrated Watershed Program, or “SCIWP,” was intended by the legislature to fulfill this opportunity. Many members of the legislature worked to assure this section was included in the water bond.

More recently, the passage of yet another state water bond, Proposition 50, has given SAWPA potential access to additional state funding for implementation of the SCIWP. What is needed now is federal funding through a carefully conceived and developed grants program under the direction of the U.S. Bureau of Reclamation.

This will help us to leverage these state and local resources to the greatest extent possible. It will also help to further advance the national interest by developing recycling technology and applications for use throughout the West and elsewhere in the nation.

Orange County Water District and Central & West Basin have received funding from Title XVI. Many other local projects were funded by Proposition 13. For example, Inland Empire Utilities Association's \$120 million investment of 70,000 AFY of new water recycling by 2010 at a total capital cost of \$125 million. Title XVI grant is \$20 million or about a 15% cost share. Further, the Orange County Water District's GWR project is \$450 million with current authorization of \$20 million grant from the U.S. Bureau of Reclamation.

In the Santa Ana Watershed, about 100,000 AFY is currently recycled by SAWPA and its member agencies. Funding for some of our projects has been through Title XVI, and some through other federal, state, regional and local programs. In testimony presented before this subcommittee on June 18, 2001 at a field hearing in Cerritos, California, I enumerated several of our success stories.

The bottom line for SAWPA is for us to implement the SCIWP which will triple the amount of recycled water from the current level of 100,000 AFY to 300,000 AFY or more over the next twenty years. We can achieve this important goal using existing technology, but only with the assistance of state and federal cost sharing programs such as the Southern California Comprehensive Water Reclamation and Reuse Study ("SCCWRRS").

In 1993, the U.S. Bureau of Reclamation, seven Southern California water agencies and the California DWR agreed to fund and initiate a multi-million comprehensive feasibility study on the potential to recycle and reclaim water throughout the coastal plain of Southern California. This eight-year study was completed over two years ago. The draft report, although never submitted to Congress, identified cost effective projects that would develop over 800,000 AF of new supplies that could be developed and implemented by 2010. The federal investment under Title XVI would be approximately \$150 million. The rest of the costs, over \$1 billion, would be borne by Proposition 50 and the local sponsors. This is a very cost effective investment given the incredible issues facing the Colorado River and the CAL-FED Bay-Delta Program.

For many years, dedicated and highly competent staff members of the U.S. Bureau of Reclamation have promoted the concept of water recycling. In many studies, not just limited to the SCCWRRS report, the benefits of water reclamation and reuse have been analyzed and found to be the most feasible way of meeting the demands of an ever-growing populace. These benefits extend throughout our region, our state and the 17 reclamation states, and even arguably the entire world as undeveloped water resources become increasingly scarce.

On numerous occasions, representatives of the U.S. Department of the Interior have rendered testimony before this and other Congressional committees and published a significant body of literature on the value of recycling on the website of the U.S. Bureau of Reclamation. In summarizing those statements, it is apparent that water recycling and reuse contribute significantly to the accomplishment of many federal objectives at the least possible cost to the U.S. Treasury:

1. The U.S. Bureau of Reclamation is charged with the important responsibility of developing and implementing innovative solutions that encourage the efficient use of precious water resources throughout the 17 western states. Through the promotion of financially feasible and environmentally sound watershed plans like the SCIWP, the U.S. Bureau of Reclamation is able to advance new, cost-effective technologies through research and real-world applications to fulfill this important national mandate.
2. Using more efficient water use measures to stretch limited water supplies, the U.S. Bureau of Reclamation can improve water quality and reduce or entirely avoid the costs associated with the development of new water storage projects and treatment facilities.
3. By promoting regionally planned and implemented programs like the SCIWP, the U.S. Bureau of Reclamation can promote economically and environmentally sound decision-making by state and local governments and promote regional and/or watershed-based planning perspectives.
4. Regionally-based programs, like the SCIWP, will promote the formation of collaborative partnerships between the federal government and such other entities as state, tribal and local governments to integrate water supply and water quality issues, thus narrowing the gap between those who supply, use, treat and regulate water.

Why then, in the face of such overwhelming evidence, is the Administration backing away from such cost effective and environmentally sound approaches to fulfilling this aspect of the Bureau of Reclamation's core mission?

When Congress enacted the legislation authorizing the SCCWRRS in 1992, it called for a cooperative partnership between the U.S. Bureau of Reclamation and the local agencies that would benefit from the study. Pursuant to that partnership, SAWPA and other local agencies contributed millions of dollars to the cost of the report with the understanding that upon completion in six years, the SCCWRRS would be presented to Congress. In fact, the authorized legislation directed the Bureau to complete and return its report within that timeframe. Now, Mr. Chairman, some 11 years later, the Bureau has yet to return the SCCWRRS to Congress.

Out of a sheer sense of frustration, SAWPA sent a letter to Regional Director, Robert Johnson in Boulder City, Nevada on February 21, 2003 again urging that the

SCCWRRS immediately be returned to Congress or, the alternative, that the \$300,000 contributed by SAWPA for the cost of the study be refunded (copy of letter attached as Exhibit A). To date, no reply has been received.

SAWPA recommends that this Subcommittee immediately schedule legislative hearings to authorize funding for the water recycling projects determined to be feasible and identified in the SCCWRRS and then mark up and report appropriate legislation. More than \$6 million has been invested in this study by the U.S. Bureau of Reclamation in partnership with the California Department of Water Resources and several regional water agencies, including SAWPA, MWD and others. As a result, feasibility studies have been completed on an aggregation of local projects that will develop more than 450,000 AFY of new water by 2010. Even more remarkable is the fact that more than 270,000 AFY of this total will be developed within the Santa Ana River Watershed, specifically in the Inland Empire and Orange County.

Turning to another subject, I would like to address some issues that arise from my own personal experience with the management of projects where there is a cost sharing arrangement that implicates federal, state and local sources of funding.

Cost sharing is a tried and true principle that has proven its worth in many areas of involvement by the federal government. From the standpoint of the U.S. Government, it is an absolute necessity to ensure local commitment and support for the project. It also provides a significant opportunity for the federal government to obtain the greatest leverage for its investment in a local project. For example, a 25% federal share results in a 3:1 return for each Congressionally-appropriated dollar.

Additionally, there are other, albeit more subtle benefits to be obtained through the use of cost sharing in a federal grants program like Title XVI:

- Local agencies perform a lot better when their own money is on the line.
- Since there is a cap on both the federal and the state share, the responsibility for any project overruns devolves entirely upon the local entity. Thus, there is no incentive to "gold plate" projects.
- Project proponents are more likely to get done on time, thereby avoiding added expense through escalating costs of construction or costly claims procedures for delay damages.
- Significantly, both title to a cost-shared project and the responsibility for on-going operation and maintenance (O&M) remain with the local sponsors, thereby avoiding a never-ending obligation that would otherwise be borne by the federal government.

- The burden of construction management normally remains with the local project proponent, again relieving the U.S. Bureau of Reclamation of a costly responsibility and permitting it to focus its efforts on broader federal activities such as feasibility analyses, research and technology transfer.

In conclusion, as I again express my appreciation for this invitation to address your Subcommittee, I would observe that water recycling must be at the heart of any sound resource management plan in this new century. The reason for this conclusion is clear: Until we master a cost effective way to desalinate sea water, there will be no other "new water," only existing water put to additional uses through recycling.

Recycling is the last "river" that we will harness for the benefit of our customers in Southern California. We invite your leadership and active participation in this great venture.

Mr. Chairman, I would be pleased to respond to any questions.